

Message Text

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ACTION ARA-20

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FM AMCONSUL PARAMARIBO

TO SECSTATE WASHDC 1682

INFO AMEMBASSY THE HAGUE

C O N F I D E N T I A L PARAMARIBO 265

E.O. 11652: GDS

TAGS: EIND, NS

SUBJECT: INDUSTRY REACTIONS TO GON MINISTER'S REMARKS ON
NATIONALIZATION OF SURINAM'S BAUXITE INDUSTRY

REF: PARAMARIBO 257

1. THERE HAS BEEN NO PRESS OR PUBLIC REACTION AS YET TO
DEVELOPMENT MINISTER PRONK'S REMARKS REPORTED IN REFTEL.
PRIVATELY, HOWEVERN SURALCO SOURCES SEE "REASON FOR CONCERN."
ALTHOUGH PRONK'S STATEMENTS WERE SOMEWHAT CONTRADICTORY -
ON THE ONE HAND HE ADVISED AGAINST NATIONALIZATION BUT ON
THE OTHER HE PLEDGED SUPPORT AND PROPOSED GON FINANCING FOR
NATIONALIZATION - THE SURALCO SOURCES GIVE GREATER WEIGHT
TO THE LATTER PORTION OF PRONK'S THESIS. THESE SOURCES
CONNECT PRONK'S PROPOSAL WITH STORIES THE SOURCES CLAIM HAVE
APPEARED IN THE NETHERLANDS PRESS, ACCORDING TO WHICH SURINAM
WILL RECEIVE A "GOLDEN HANDSHAKE" LUMP SUM PAYMENT FROM
HOLLAND AT INDEPENDENCE TO ENABLE SURINAM TO BUY OUT SURALCO.
IF THIS WERE TO HAPPEN, THE SURALCO SOURCES FORESEE A FORCED
SALE AT LESS THAN A FAIR PRICE.

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WM THE POST SHARES SURALCO'S CONCERN INASMUCH AS PRONK'S STATEMENTS WILL TEND TO ENCOURAGE THE IDEA OF NATIONALIZING SURALCO BY IMPLYING GON FINANCIAL ASSISTANCE FOR SUCH A SCHEME. THERE IS AT PRESENT LITTLE SUPPORT IN THE GOS FOR NATIONALIZATION OF SURALCO.

3. AS TO THE "GOLDEN HANDSHAKE," PRIME MINISTERS ARRON AND DEN UYL HAVE BOTH RECENTLY DENIED THAT THERE WILL BE SUCH A SETTLEMENT PAYMENT UPON SURINAM'S INDEPENDENCE, BUT HAVE STATED RATHER THAT NETHERLAND'S ASSISTANCE TO SURINAM WILL BE ON A CONTINUING BASIS AT A LEVEL TO BE DETERMINED BY A SOCIAL-ECONOMIC DEVELOPMENT PLAN DESIGNED TO DEVELOP A VIABLE SURINAM ECONOMY.

4. THE SURALCO SOURCES DISCOUNT ARRON'S AND DEN UYL'S "GOLDEN HANDSHAKE" DENIALS. THE POST BELIEVES, HOWEVER, THAT ONLY IF THE GON WERE WILLING TO PAY A "GOLDEN HANDSHAKE" SUM, IN ADDITION TO GON ECONOMIC DEVELOPMENT ASSISTANCE WHICH MIGHT COST NF120 MILLION PER YEAR, WOULD THE GOS SERIOUSLY CONSIDER BUYING ALL OR A PART OF SURALCO. WE ARE INCLINED TO DOUBT THAT THE GON OR THE DUTCH TAXPAYER WOULD BESTOW SUCH AN EXPENSIVE GIFT ON SURINAM, AND ONE WHICH WOULD NOT CREATE NEW ECONOMIC ACTIVITY.

5. POST WOULD APPRECIATE EMBASSY THE HAGUE'S ASSESSMENT OF GON'S WILLINGNESS TO FINANCE A GOS TAKEOVER OF SURALCO.
JOHNSTON

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